

25—2.12(175) Issuance of bond. The authority will not issue a bond for the purpose of financing a project for a specific beginning farmer unless, prior to its issuance, the authority has conducted a public hearing conforming to the applicable requirements of the United States Internal Revenue Code of 1986 as amended, and its regulations. Upon receipt of a completed application, in a form prescribed by the authority, the executive director of the authority shall set a date, time and place for the hearing. The hearing shall be preceded by a notice published at least 14 days prior to the date of the hearing in a newspaper of general circulation and available to residents in the county where the project is located. The notice shall include, but not be limited to, the date, time and place of the hearing, the name of the beginning farmer, a general description of the project, and the right of individuals to request a local hearing.

The hearing shall be held in the authority's offices in Des Moines, or other location stated in the notice, unless at or prior to the time scheduled for the hearing, the authority receives a written request that a local hearing be held. In the event a local hearing is requested, the previously scheduled hearing may be canceled. The executive director of the authority shall set a date, time and place for a local hearing and notice of the hearing in the local area shall be published as stated above. The date, time and place for the local hearing shall be reasonably convenient to persons affected by the project.

Public hearings may be held by a staff member, board member of the authority, an appointee or employee of the authority, or other qualified hearing officer.

The authority will not issue a bond for the purpose of financing a project by a specific beginning farmer unless, prior to the issuance, the governor or another elected official of the state designated by the governor, shall approve the issuance of the bond. Following the public hearing, the authority shall prepare and send to the governor's office, or the office of the elected official of the state designated by the governor, a statement describing each bond or series of bonds which it proposes to issue, along with a summary of the public comments received with respect thereto, if any.

Following approval of the loan by the authority, and upon completion of a public hearing and approval of the bond issuance by the governor or another elected state official designated by the governor, the authority will issue a bond, to be purchased by the lender, in the amount and fitting the terms of the loan to the beginning farmer. The principal and interest on the bond is a limited obligation payable solely out of the revenues derived from the loan to the beginning farmer and the underlying collateral or other security furnished by or on behalf of the beginning farmer. The lender shall have no other recourse against the authority. The principal and interest on the bond does not constitute an indebtedness of the authority or a charge against its general credit or general fund.